

SERVING BLOOMSBURG, BERWICK, DANVILLE, BENTON, WAPWALLOPEN, MUNCY

THEREDAY NO CHOBER 27, 2005

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Reactor shut down

N-plant undergoing maintenance

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WEATHER

TODAY: Brisk, chilly HIGH TEMP: 49° PRECIPITATION: 30% TONIGHT: Fair, cold LOW TEMP: 35° PRECIPITATION: 10% Details, Page 8

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U.S. Radium tried to dodge liability, documents show

By MICHAEL LESTER

Press Enterprise Write

ALMEDIA — When the government told U.S. Radium to clean up its contaminated land here, the company shuf-

fled its corporate structure to shield itself from millions of dollars in liability, documents say.

It didn't work. A federal board eventually ruled that U.S. Radium and its offspring corporations are An occasional series responsible for the mess.

Hazards at

But the amount of money they must pay is pocket change compared to the whole cleanup cost, pegged at \$50 Please see CLEANUP page 7

Firm and its subsidies deny pollution allegations

By MICHAEL LESTER Press Enterprise Writer

U.S. Radium and its heirs snarl at the image of themselves as rogue polluters spewing radioactivity across two states over nearly a century.

The companies say their old methods of manufacturing were legal at the time, but the rules changed, and now they're going broke fighting the government and fending



Press Enterprise/Bill Hughes

GETTING IN THE SPIRIT

Benton High School sophomore art students, clockwise from top, Alex Wolfe, Bobbie Wolfe and Cyndal Yannes, work on their Halloween window painting of a cat in a pumpkin in downtown Bloomsburg on Wednesday, Windows throughout the business district were nainted in the holiday spirit by area students.

State Ser spending

By MARC LEVY Associated Press writer

HARRISBURG — Legislation approved Wednesday by state senators would make it more difficult for state spending to increase faster than major economic indicators in what Republicans say is an effort to impose fiscal discipline and lower taxes.

The Republican-drafted bill has prompted finger pointing between the GOP leaders who control the Legislature and Democratic Gov. Ed Rendell over who is most responsible for the increasing size of the state's budget.

But the House Republican leader, Rep. Sam Smith, said that if lawmakers are part of the problem of expanding budgets, then they are trying to be part of the solution.

"Blame us if you will, we are part of the process, but don't blame us for putting in place tools that will help control governmant anonding " Smith offensive, suing over a dozen insurance companies for help paying legal costs, records say.

The two companies negotiated settlements in 1991 with eight insurance carriers, which paid each business \$6 million to be deposited in separate trust funds, according to documents.

Most of the money went to defending or settling lawsuits, not to cleaning up pollution, records show.

Business goes sour

Safety Light and USR Industries have also been hamstrung by a deteriorating market for their products, they say.

They blame foreign competition that began hurting operations in the 1960s and 1970s, when U.S. Radium was still doing business.

Back then, U.S. Radium's biggest customers were the color TV and wristwatch industries.

U.S. Radium's "business as a supplier to these markets was significantly reduced, and its principal business lines became more intensely price competitive and were driven towards marginal profitability or losses," records say.

Given government pressure and bad publicity, "it appears unlikely that independent investors will provide funds needed" for investment and modernization of equipment, the company said.

In 1997, USR Industries reported "substantial overall losses for more than 10 years." That year, USR reported \$1.5 million in revenue, but \$10,000 in net losses.

On the upswing

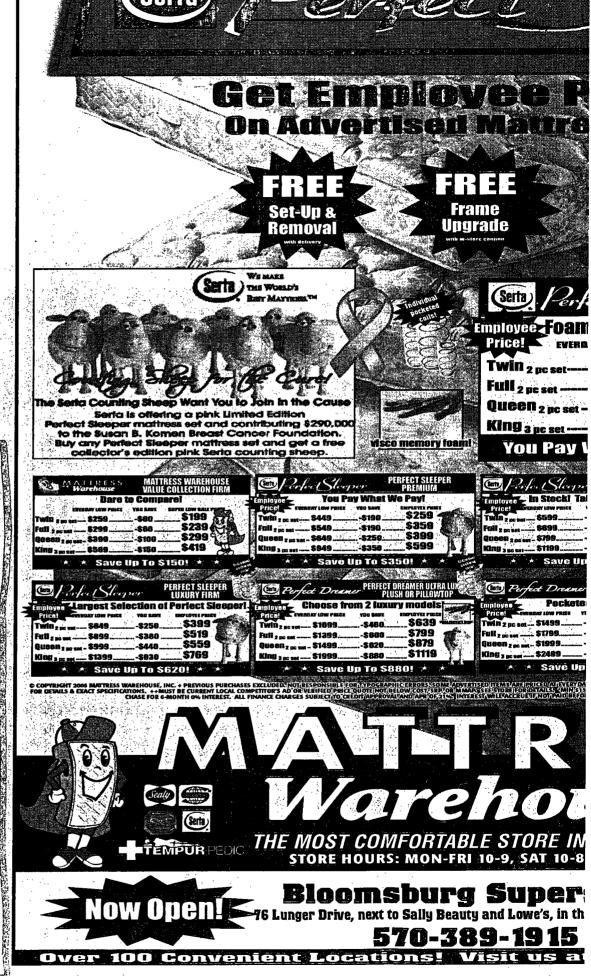
In recent years, Safety Light suffered a downturn in business that kept it from paying into a cleanup fund, said Larry Harmon, manager of the plant in South Centre Township.

The factory makes illuminated parts for aircraft, among other products. But after the terrorist attacks in 2001, "aircraft companies pulled in their wings, so we didn't have as many sales," he said.

But business has improved over the last two years, Harmon added.

"We're coming back up, and, actually, we had one of the best sales years we ever had last year."

Call reporter Michael Lester at 387-1234, ext. 1311, or e-mail him at mike l@pressenterprise net.



levels have been reduced to insisted it was. Years passed NRC refused to renew its prise net. effective bankruptcy levels as a result of the direct and indirect costs of such litigation.

"Such litigation has frustrated and made moot the company's former plans to pursue its own growth and corporate development," the firm said.

What's more, USR Industries "believes that the Contaminations | complained of ... not only were legal but were in accord with the accepted knowledge and industry practice of their time."

USR Industries filed for bankruptcy in 2001. A judge dismissed the case less than a vear later.

Safety Light and USR Industries also went on the legal offensive, suing over a dozen insurance companies for help paying legal costs, records say.

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